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Work programme of the United Nations Human Settlements Programme and budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2016–2017

Proposed work programme and budget for the biennium 2016–2017

Report of the Advisory Committee on Administrative and Budgetary Questions

Note by the secretariat

The report of the Advisory Committee on Administrative and Budgetary Questions on the proposed work programme of the United Nations Human Settlements Programme and the proposed budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2016–2017 (HSP/GC/25/5) is reproduced in the annex to the present note. The report is reproduced as received from the Advisory Committee, without formal editing.

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Annex

Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed work programme of the United Nations Human Settlements Programme and the proposed budget for the biennium 2016–2017 of the United Nations Habitat and Human Settlements Foundation

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on the proposed work programme and budget for the biennium 2016-2017 of the United Nations Habitat and Human Settlements Foundation (UN-Habitat) (HSP/GC/25/*). During its consideration of the report, the Advisory Committee met with the Executive Director and other representatives of UN-Habitat, who provided additional information and clarification, concluding with written responses received on 12 March 2015.

2. The report indicates that the proposed programme of work and budget for 2016-2017 is derived from UN-Habitat's strategic plan for 2014-2019 and strategic framework for 2016-2017. The strategic direction of the framework would be derived from the post-2015 development agenda, once approved by the General Assembly, and from the outcome of the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), scheduled to take place in 2016 (see HSP/GC/25/*, paras. 1 and 6).

II. Proposed work programme 2016-2017

3. Paragraph 12 of the report states that the proposed programme of work would be implemented under the following seven subprogrammes: i) urban legislation, land and governance; ii) urban planning and design; iii) urban economy; iv) urban basic services; v) housing and slum upgrading; vi) risk reduction and rehabilitation; and vii) research and capacity development. It is also stated that, during the biennium, UN-Habitat would continue to implement an advocacy, outreach and communications strategy, assess the gender implications of planned programmes, strengthen results-based management, and undertake evaluations. Acting as the Habitat III secretariat, UN-Habitat would also provide substantive support to intergovernmental negotiations on the outcome document of Habitat III (see HSP/GC/25/*, paras. 22 to 26).

4. With respect to evaluations, the report indicates that UN-Habitat would strengthen evaluation of its subprogrammes, programmes and projects, and it is estimated that resources for evaluation activities for the biennium 2016-2017 would amount to $3,200,000, of which $397,000 would be funded from the regular budget and $2,803,000 from extra-budgetary resources (see HSP/GC/25/*, para. 25). **The Advisory Committee trusts that UN-Habitat will strengthen evaluations activities as planned, and that the lessons learnt from the evaluations will be taken into account in the implementation of programmes.**

III. Proposed budget 2016-2017

5. The Executive Director indicates that the financial framework of UN-Habitat comprises three sources of funding: i) United Nations regular budget allocations approved by the General Assembly; ii) United Nations Habitat and Human Settlements Foundation contributions, consisting of general purpose budget allocations which are approved by the Governing Council and special purpose budget allocations which are approved by the Executive Director; and iii) technical cooperation contributions, for which budget allocations are approved by the Executive Director (see HSP/GC/25/*, para. 29). The report states that UN-Habitat is reviewing its resource mobilization strategy in view of the decline in voluntary non-earmarked contributions for core activities, with particular focus on securing more predictable multi-year funding for its normative work (see HSP/GC/25/*, para. 40).

6. Overall resource requirements for UN-Habitat for the biennium 2016-2017 are projected at $482.3 million, reflecting an increase of 22.2 per cent as compared to the amount of $394.5 million estimated for the biennium 2014–2015. The report explains that the increase is mainly due to significant growth in technical cooperation budget, reflecting increasing demand for UN-Habitat's advisory services, and support in capacity building and operational activities at regional and country level (see HSP/GC/25/*, para. 36).

7. Upon enquiry as to income and expenditure from 2010 to the current biennium, the Advisory Committee was provided with the table below (figures in thousands of United States dollars).

	UN HABITAT 2010-2011					UN HABITAT 2012-2013					UN HABITAT 2014 (Provisional)				
	Foundation Non Earmarked	Regular budget	Foundation special purpose	Technical cooperation	Total	Foundation Non Earmarked	Regular budget	Foundation special purpose	Technical cooperation	Total	Foundation Non Earmarked	Regular budget	Foundation special purpose	Technical cooperation	Total
Budget (Approved appropriation	66 191		95 718	172 594		70 222	21 069	110 525	190 030	**391 845**	45 617	23 261	123 188	202 482	**394 548**
Income	35 200	22 451	73 091	298 075	**356 953**	20 589	24 192	84 460	248 855	**378 096**	7 537	16 021	107 287	206 766	**337 611**
Expenditure	40 508	24 677	79 844	282 034	**431 043**	29 099	24 192	80 338	215 102	**348 731**	8 135	16 021	53 875	143 142	**221 173**
Surplus/ (Deficit)	(5 308)	24 677	(6 753)	16 041	**3 980**	(8 510)	–	4 122	33 753	**29 365**	(598)	–	53 412	63 624	**116 438**
Opening fund balance	27 050	–	51 322	47 886	**126 258**	18 759		44 490	58 300	**121 549**	10 459	–	50 216	90 554	**151 229**
Closing fund balance	18 759	–	44 490	58 300	**121 549**	10 459		50 216	90 554	**151 229**	9 861	–	103 628	154 178	**267 667**
Reserves	6 619	–	5 240	13 320	**25 179**	6 619	–	5 240	13 320	**25 179**	6 619	–	5 240	13 320	**25 179**

The Committee notes the discrepancies in the amounts under budget, income and expenditure, demonstrating under-expenditure in some cases (such as Foundation Non-earmarked and Foundation Special Purpose) and over-expenditure in others (such as Technical Cooperation). The Committee also notes the sizable opening and closing fund balances listed in the table above. In addition, paragraph 34 of the report states that, in the current biennium, UN-Habitat expects to receive $12 million in Foundation General Purpose contributions against an approved budget of $45.6 million. **While recognizing the difficulty in accurately predicting income and expenditure, the Advisory Committee nonetheless considers that, in order for the budget to be more realistic and to achieve its value as a tool for financial planning and control, budget proposals should be more closely aligned to income projections and patterns of expenditure, and recommends that UN-Habitat take this into account in future budget proposals.**

Regular budget

8. The proposed regular budget allocation would be in the amount of $22.5 million, as compared to $23.3 million for the 2014-2015 biennium. The report states that as the United Nations regular budget appropriation is subject to the approval of the General Assembly in 2015, the amounts quoted for 2016–2017 are only indicative (see HSP/GC/25/*, para. 44). **The Advisory Committee will review the regular budget resources for UN-Habitat and make its observations and recommendations in this regard in the context of its consideration of the proposed programme budget for the biennium 2016-2017.**

Contributions to UN-Habitat

9. With respect to the United Nations Habitat and Human Settlements Foundation contributions, the proposed budget to be funded from general purpose contributions for the biennium 2016–2017 is $45.6 million, the same level as the previous biennium 2014-2015, while the estimated budget to be funded from special purpose contributions amounts to $101.3 million, representing a decrease of 17.8 percent as compared to the biennium 2014-2015. The proposed budget for technical cooperation activities is projected at $312.9 million, representing an increase of 54.5 per cent as compared to the biennium 2014-2015. The technical cooperation component comprises earmarked project budgets (including trust funds) amounting to $294.4 million and the corresponding technical cooperation programme support (overhead) budget of $18.5 million (see HSP/GC/25/*, paras. 41, 45 and 47).

Posts

10. The report states that in response to the current economic climate, UN-Habitat imposed a freeze on external recruitment for posts funded by the Foundation General Purpose account in 2011, except for critical positions and subject to the availability of funds. It is proposed to continue this cautious approach in the biennium 2016–2017, with the same number of 281 core staff posts. Post costs are proposed in the amount of $71,749,900 (see HSP/GC/25/*, paras. 50 and 51, and Table 2). Upon enquiry as to the necessity for these vacant posts, the Advisory Committee was informed that a cautious approach is used when recruiting against the vacant posts in order to ensure that new recruitment can be covered by projected income from voluntary non-earmarked contributions. The Committee was also informed that these posts were approved by UN-Habitat's Governing Council and it is expected that they will be filled as the strengthened resource mobilization strategy and action plan begin to yield fruit. It is also proposed that any revisions to the staffing levels be made after assessing the implications of the outcomes of the Habitat-III Conference and the post-2015 agenda, which may have an impact on the mandate of UN-Habitat. **The Advisory Committee reiterates that the continuing requirement for long-vacant posts should be reviewed on an ongoing basis to determine whether the posts should be retained or abolished, while taking into account the potential implications of the outcomes of the Habitat-III Conference and the post-2015 agenda on staffing levels.**

11. In respect of the organizational chart in the report, the Advisory Committee was provided upon enquiry with a more detailed breakdown of the posts under Executive Direction and Management and Programme Support (see annex I) and the staffing table for the regional offices (see annex II). The Committee was also provided upon enquiry with the following table detailing the D-level posts in the Office of the Executive Director.

				Funding
Office of the Executive Director				
		D-2	Vacant – to decide on location subject to availability of funds	XB
	Scientific and Education Advisory	D-2	Director, Scientific and Education Advisory	XB
	Office of the Executive Director	D-2	Chief, Office of the Executive Director	XB
	Secretariat of the Governing Council	D-1	Secretary to the Governing Council	RB
	Strategic Planning	D-1	Principal Adviser, Policy and Strategic Planning	XB

The Committee notes that under Executive Direction and Management and Programme Support, there are 20 posts at the P-5 level and above; 19 posts at the P-4, P-3 and P-2 levels; and 17 posts at the local and other levels. **The Advisory Committee is of the view that UN-Habitat should review the staffing structure for Executive Direction and Management and Programme Support as the present allocation of posts may indicate that the number of senior-level posts is not in proportion to the number of posts at other levels.**

Non-post requirements

12. Table 2 of the report indicates that the amount of $410,599,400 is proposed in respect of non-post costs. The Advisory Committee was provided upon enquiry with the following breakdown by item of expenditure.

Foundation General Purpose budget for the Biennia 2014-2015 and 2016-2017

Category of expenditure	2014-2015	Change		2016-2017
		Amount	%	
Staff costs	31 235	–	–	31 235
Non-post costs				
Consultants	796	–	–	796
Expert group meetings	338	–	–	338
Travel	1 626	–	–	1 626
Contractual services	1 025	–	–	1 025
General operating expenses	5 860	–	–	5 860
Supplies and materials	73	–	–	73
Furniture and equipment	70	–	–	70
Support to UNON	1 094	–	–	1 094
Project expenditures (non-earmarked)	3 500	–	–	3 500
Total Foundation General Purpose	**45 617**	–	–	**45 617**

The Advisory Committee requested but was not provided with a detailed breakdown of each category of expenditure under non-post requirements. The Committee recalls that it had previously requested that future budget presentations of UN-Habitat include a breakdown of non-post requirements by item of expenditure (see HSP/GC/24/5/Add.4, para. 11). The Committee regrets that the present budget document does not include the requested breakdown. The Advisory Committee reiterates that future budget proposals of UN-Habitat should include a detailed breakdown of non-post requirements by item of expenditure.

Status of recommendations of oversight bodies

13. Upon enquiry, the Advisory Committee was provided with information on the implementation status of recommendations of the Board of Auditors and other oversight bodies (see annex III). **The Advisory Committee recalls that it had twice previously requested that future budget presentations of UN-Habitat include this information as an annex (see HSP/GC/24/5/Add.4, para. 13 and HSP/GC/23/5/Add.1, para. 10). The Committee notes with concern that UN-Habitat has not included this information in its budget proposal. The Advisory Committee expects that this information will be provided in the future, including in the upcoming proposed programme budget for the biennium 2016-2017.**

IV. Conclusion

14. **Subject to its observation in paragraph 8 above, and taking into account its comments in the preceding paragraphs, the Advisory Committee recommends approval of the proposed work programme and budget of UN-Habitat for the biennium 2016-2017.**

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Annual progress report for 2014 on the implementation of the strategic plan for the period 2014–2019

Report of the Executive Director

I. Introduction

1. The present report is the first annual progress report on the implementation of the strategic plan for 2014–2019 approved by the Governing Council of UN-Habitat at its twenty-fourth session. The strategic plan is being implemented through three biennial work programmes and budgets for 2014–2015, 2016–2017, and 2018–2019. Implementation of the strategic plan started in 2014 and builds on the lessons learned and the achievements of the UN-Habitat first six-year medium-term strategic and institutional plan 2008–2013. The present report responds to resolution 24/15 of 19 April 2013, by which the Governing Council approved the strategic plan for 2014–2019, and in which it called upon the Executive Director to report annually to Governments through the Committee of Permanent Representatives and to the Governing Council at its twenty-fifth session on progress made in implementation of the strategic plan and the work programme activities.

2. The annual report for 2014 presents analytical information on progress made in achieving the results and expected accomplishments for each of the focus areas of the strategic plan at the global, regional and national levels. It also presents the status of financial resources in terms of what was planned, allocated and utilized in 2014. It has been prepared in line with the principles of results-based management and describes progress made towards achieving the expected accomplishments, indicator targets and planned outputs in 2014. The report has been strengthened by virtue of a results-focused performance measurement plan of the strategic plan containing indicator baselines and targets for all the expected accomplishments of each focus area, which has notably enhanced programme planning, monitoring and reporting processes in UN-Habitat.

II. Strategic approach to urbanization

3. UN-Habitat has made significant progress in its quest to become an effective and efficient programme of the United Nations in the area of sustainable urbanization. It has expanded its original concept in order to address the needs of urbanization in all types of human settlements, from villages

* HSP/GC/25/1.

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and market towns to the great cities and megalopolises of the world. It has completed its reform programme and programmatic realignment, delivering results in line with the strategic plan adopted by member States. While challenges remain in addressing the shortfalls in its core budget, the Programme has made significant strides in adapting to the current funding environment, while above all delivering more, and better, on its core mandate.

4. Within the framework of the strategic plan for 2014–2019, UN-Habitat adopted a more strategic and integrated approach to addressing the challenges and opportunities of twenty-first century cities and human settlements, based on two premises. The first is the empirically verified positive correlation between urbanization and development, which demonstrates clearly that urbanization can be used as a powerful tool for transforming production capacities and income levels in developing countries. However, a mindset shift is required on the part of policymakers, away from viewing urbanization as a problem and towards viewing it as a tool for development.

5. The second premise is that the major challenges facing cities and human settlements today are an outcome of the inadequacy of the fundamental systems underlying the efficient and effective functioning of cities and human settlements, in particular urban legislative, design and financial systems. These challenges, which cannot be overcome without addressing the underlying systems, include unemployment, especially among young people; social and economic inequalities, often manifested in the emergence of slums and proliferation of the informal sector; unsustainable energy consumption patterns; urban sprawl and increasing emissions of greenhouse gases.

6. The strategic and integrated approach adopted by UN-Habitat in the implementation of the strategic plan for 2014–2019 is integrated rather than sectoral, transformative rather than piecemeal, and it links urbanization and human settlements to sustainable development by focusing on prosperity, livelihoods and employment, especially among young people. A three-pronged approach has been adopted that places emphasis on: urban legislation; urban planning and design; and urban finance and economy, which correspond to the first three focus areas of the strategic plan for 2014–2019 and may be seen as the levers for the transformation of cities and human settlements towards greater environmental, economic and social sustainability. A fourth focus area or subprogramme, urban basic services, has also been the subject of investment and development, as large numbers of urban dwellers in developing countries still lack access to adequate basic services, especially water and sanitation, as well as reliable waste management services, sustainable public transport and safe domestic energy.

7. The UN-Habitat basic business model is to leverage its normative work at the field level. As a result, significant new programmes and projects for implementing the new strategic and integrated approach were initiated or intensified during 2013 and 2014, including the Achieving Sustainable Urban Development (ASUD) programme; the Future Saudi Cities Programme and three sustainable urban development projects at the state level in Nigeria.

III. Management of the Programme

8. A major achievement in the implementation of the strategic plan has been the complete alignment of the Programme's structure with its substantive work. The seven new thematic branches are fully aligned with the six-year strategic plan, the two-year strategic framework and the two-year work programme and budget. Each subprogramme is fully aligned with the corresponding focus area of the strategic plan and is delivered by a branch and all the regional offices in a matrix approach.

9. UN-Habitat also continued to implement its new matrix approach, which is linked to the project approach for both normative and operational work. Each project has a clear beginning and a clear end, a clear budget and a clear allocation of human resources for the duration of the project.

10. UN-Habitat has made notable progress in strengthening its effectiveness and efficiency in the period since the twenty-fourth session of the Governing Council. It has managed to do more with less, and has actively developed its core business model of leveraging its normative work in the field, and using the consequent results to further its normative work. In carrying out this transformation, however, it has become clear that the management and administrative tools available to UN-Habitat are not fully fit for purpose and put UN-Habitat at a significant operational and cost disadvantage to its sister entities in the United Nations as well as competitors outside the United Nations.

A. Three-pronged approach in action

1. Achieving Sustainable Urban Development programme

11. ASUD represents one of the most important means for UN-Habitat to address the urbanization process from the new strategic paradigm. The programme's working methodology focuses on three key areas that need to be addressed simultaneously as an integrated three-pronged strategy in

advancing sustainable urbanization: urban legislation, urban design and urban finance. ASUD builds on the potential of properly managed urbanization as a powerful transformative force towards achieving environmentally, economically and socially sustainable development. The programme started in five pilot countries, namely Colombia, Egypt, Mozambique, the Philippines and Rwanda.

2. Future Saudi Cities Programme

12. The Future Saudi Cities Programme was initiated by UN-Habitat as part of its new strategic and integrated urbanization approach. The purpose of the programme is to contribute to sustainable urbanization in Saudi Arabia through evidence-based analysis and the development of policy options, followed by the implementation of actions so as to realize the benefits of compact, integrated, connected, socially inclusive and productive cities as promoted by UN-Habitat. The programme entails a fundamental shift in the way in which Saudi cities are managed and in the vision for their future in order to enable them to be sustainable. The programme encourages participatory planning, creates more opportunities for partnerships and equips the local governments of 17 small, medium and larger cities to understand and identify problems, and design and implement urban planning options for the future.

3. Programmes at state level in Nigeria

13. During the reporting period, UN-Habitat launched three programmes at the state level in Nigeria, all of which are designed on the basis of the UN-Habitat new strategic and integrated approach to urbanization, namely the socio-economic and urban renewal programme for Ondo State; the city structure and urban planning programme for Kogi State; and the socio-economic and urban planning programme for Zamfara State. The overall objective of these programmes is to enhance the socio-economic circumstances and quality of life of the population of the three states.

4. Tools

14. UN-Habitat has also developed new tools for facilitating the implementation of the three-pronged approach, including the Urban Planning and Design Laboratory, the City Prosperity Initiative (CPI) and the Urban Law Database (UrbanLex).

5. Urban Planning and Design Laboratory

15. An important initiative developed by UN-Habitat to facilitate the implementation of the new strategic approach to urbanization is the Urban Planning and Design Laboratory, which responds to demand from local, regional and national governments for assistance in sustainable urban planning. The laboratory has taken up several assignments of high relevance for testing and disseminating the sustainable urban development principles and approaches of UN-Habitat. In particular, it has been directly involved in developing concept plans for planned city extensions in Colombia, Kenya, the Philippines and Rwanda; city-wide strategies in China; and planned city in-fills in Colombia. The laboratory also has been active in developing the concept for a new generation of towns in Egypt. In addition, the laboratory has been instrumental in conducting advisory missions and developing planning and assessment tools and using them in the assessment of master plans in three pilot countries.

6. City Prosperity Initiative

16. Since the twenty-fourth session of the Governing Council, UN-Habitat has been implementing its City Prosperity Initiative (CPI), in line with the new strategic approach. CPI measures the current status of cities in terms of five dimensions of prosperity, namely productivity, infrastructure, quality of life, equity and environmental sustainability. CPI provides an indication of how strong or weak the prosperity factors of a city are, thus enabling policymakers to identify opportunities and potential areas of action for advancing towards prosperity. UN-Habitat is currently working with 50 partner cities and national Governments to produce city prosperity indexes in order to assist decision makers to design evidence-based policy interventions.

7. Urban Law Database

17. UN-Habitat has also developed the Urban Law Database (UrbanLex), an urban legislation database whose purpose is to serve as a tool to fill the knowledge gap on urban legislation. Its specific objective is to achieve the enhancement of the legal framework in urban areas by developing a research tool featuring urban legislation from all the States Members of the United Nations. The database addresses seven critical areas of urban law that are essential to the sustainability and development of urban areas. The laws can be searched by theme, region and country. Each law is associated with searchable keywords and is described by means of a short explanatory digest. The digests are an important added value as they increase the accessibility of instruments by describing

their core functions and mechanisms of relevance to urban law. Currently, 40 countries across 6 continents are represented in the database.

B. Areas of UN-Habitat excellence

1. Global Land Tool Network

18. The Global Land Tool Network (GLTN) has grown to include 66 partners and 2,115 individual members. The increased responsibility for implementing the GLTN agenda has been taken up by clusters (urban civil society, rural civil society, multilateral/bilateral organizations, international professional bodies, and international research and training institutions), which are increasingly working jointly and in a more coordinated manner.

19. Over the years, GLTN has developed many pro-poor and gender responsive tools, frameworks and approaches that have been used in more than 40 countries. Three tools have been used at scale: the social tenure domain model, participatory enumerations and gender evaluation criteria. The following nine tools or approaches have been finalized and are to be implemented in 2015: continuum of land rights framework, participatory and inclusive land readjustment, pro-poor land records, land indicators, costing and financing land administration services (CoFLAS), land-based financing, youth responsiveness criteria on land, youth issues guide on land, non-state actors mechanism for land policy reform, as well as capacity assessment tools for policy implementation at the country level.

20. There was full-scale engagement in the Democratic Republic of the Congo and Uganda. In the Democratic Republic of the Congo, coordination platforms were strengthened for implementation of land reform and a country-led review of legal and customary frameworks for women's access to land was catalysed. In Uganda, 89 informal peri-urban settlements were profiled for better provision of services and improved tenure security. In rural Uganda, information on 500 farmers in Kalangala District was systematically documented with the aim of reducing land disputes and improving tenure security.

2. Cities and Climate Change Initiative

21. Through UN-Habitat advocacy of and engagement in the work of the United Nations Framework Convention on Climate Change, there is widespread recognition of the interlinkages between cities and climate change and the role of local authorities in tackling climate change. Since the launch in four pilot cities of its flagship programme, the Cities and Climate Change Initiative (CCCI) in 2008, the initiative has dramatically expanded its scope and impact, becoming a global programme involving more than 40 cities. CCCI is facilitating the development and implementation by partner cities of pro-poor and innovative climate change policies and strategies that address the impacts of climate change and help in reducing greenhouse gas emissions. Through the ongoing pilot project on promoting urban low-emission development strategies (Urban-LEDS), UN-Habitat is working with participating cities in four emerging economies to develop plans to reduce their greenhouse gas emissions. UN-Habitat spearheaded the launch of two global multi-partnership initiatives at the 2014 Climate Summit to mobilize and accelerate global action on the issue of climate change in cities. The global mayors' compact is intended to enable cities to publicly commit to drastically reduce greenhouse gas emissions; make existing targets and plans public; and report on progress achieved annually, using a newly-standardized measurement system that is compatible with international practices.

3. Risk reduction and rehabilitation

22. UN-Habitat and partners have made significant progress in field operations in both post-conflict and post-natural disaster situations encompassing the reconstruction of housing, water and sanitation infrastructure, community centres, schools and also land conflict mediation activities, rehabilitation of local government, increased tenure security and livelihood creation opportunities for internally displaced persons and refugees. The value of UN-Habitat work is manifested in the growing demand for its intervention and support, which are helping to enhance understanding of the nexus between humanitarian activity and durable, sustainable, resilience-building recovery in human settlements. UN-Habitat and partners, with the critical support of donors, are currently working in Afghanistan, the Central African Republic, the Democratic Republic of the Congo, Haiti, Iraq, Lebanon, Mozambique, Pakistan, the Philippines, Somalia, South Sudan, Sri Lanka, the Syrian Arab Republic, the occupied Palestinian territory and countries in West Africa affected by the Ebola virus disease crisis.

23. Afghanistan has had a long history of conflict, resulting in a large number of refugees, internally displaced persons and migrants from rural areas. UN-Habitat has been spearheading the resettlement of internally displaced persons, providing additional tenure security, basic services and

livelihood opportunities. UN-Habitat has also been improving tenure security and municipal revenue through property taxation. Since 2013, some 33,000 properties have been registered through a UN-Habitat and partners programme on property registration and taxation for increased municipal revenue. In 2014, 2000 households internally displaced families benefitted from improved tenure security and access to basic services.

24. In 2014, the UN-Habitat portfolio in the Arab States almost tripled compared with the previous year, with new country programmes in Iraq, Jordan and the Syrian Arab Republic. UN-Habitat was able to step up its humanitarian recovery efforts for the countries affected by the crisis in the Syrian Arab Republic, assisting municipal authorities with the provision of water and sanitation for host communities; supporting host families with the provision of shelter; and working with banks and investors to increase the supply of affordable housing that can serve refugee and host populations. UN-Habitat has also been providing support to the reconstruction and stabilization process in the Democratic Republic of the Congo, which has been affected for decades by civil conflict resulting in a huge population of displaced and vulnerable people.

4. Supporting increased employment, livelihoods and opportunities for urban youth and women

25. The key objective of the UN-Habitat youth programme is to assist in the design and implementation of economic and social empowerment models for young men and women in urban areas of developing countries. The urban youth were empowered and their capacities were strengthened by means of small grants, technical assistance and capacity-building through the Urban Youth Fund with financial support from the Government of Norway. A total of 277 youth-led groups from 175 cities in 65 countries have benefited from small grants for project implementation. In order to enhance the sustainability of funded activities, UN-Habitat has introduced a mentorship programme using e-learning in collaboration with Samsung in the Republic of Korea and BASF in Germany. There are 11 active mentors who help to raise awareness of UN-Habitat work on urban youth issues.

5. Habitat University Network Initiative

26. Collaboration with universities is an integral part of the strategy to bring knowledge, research and practice closer to UN-Habitat programming and implementation as well as to city and national governments. With the long-term goal of creating a new generation of urban practitioners, the Habitat University Network Initiative (UNI), a partnership between UN-Habitat and academia, is steadily engaging with universities and other knowledge-based institutions. The number of urban practitioners involved in the partnership increased from 1336 individual partners in 2013 to 1473 by the end of 2014 and from 148 institutional members (universities) in 2013 to 162. UNI has increased open access to higher education lectures on sustainable urbanization, including the Global Urban Lecture series, a popular hit on the UN-Habitat website (about 3,000 hits in less than a month).

6. Participatory Slum Upgrading Programme

27. UN-Habitat is the lead agency for the implementation of targets (c) and (d) of Millennium Development Goal 7. The Participatory Slum Upgrading Programme (PSUP) has increased awareness and knowledge of the slum challenge and the need for pro-poor housing. About 85 per cent of African countries have established national budget lines on pro-poor housing, and urban poverty reduction is a priority in the United Nations Development Assistance Frameworks of 31 countries. In addition to the commitments made in the 2012 Rabat Declaration[1] and the 2013 Kigali Declaration,[2] PSUP is expanding with the assistance of south-south cooperation. The impact of the programme is demonstrated by 55 relevant policy changes made by countries over the last three years. UN-Habitat has established a network of 160 cities, 200 communities and 35 countries in the African, Caribbean and Pacific region alone, all of which are implementing slum upgrading strategies.

7. Preparedness for the implementation of the International Public Sector Accounting Standards

28. In January 2014, UN-Habitat implemented the International Public Sector Accounting Standards (IPSAS), necessitating the upgrading of UN-Habitat financial systems, practices and human resources in order to meet the international best practices set by IPSAS. In October 2014, the United Nations Board of Auditors and external auditors completed a special audit of the transition to IPSAS, giving an overall positive rating of the UN-Habitat transition to IPSAS with a few recommendations for minor improvements which have been addressed.

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[1] http://unhabitat.org/rabat-declaration.

[2] http://unhabitat.org/sustainable-urbanization-for-poverty-eradication-kigali-declaration.

8. Preparedness for the implementation of the Umoja enterprise resource planning system

29. UN-Habitat has completed most of its preparations in readiness for the deployment of the Umoja enterprise resource planning system, which is scheduled for implementation in June 2015. This is a major initiative whose implementation will be achieved within existing resources and that has involved the whole Programme in a business transformation that will lead to improved efficiency, streamlined business processes, better internal controls and greater transparency.

C. Areas that require strengthening

1. Non-earmarked income

30. UN-Habitat, like other United Nations entities, is experiencing declining funding, especially in terms of non-earmarked extrabudgetary resources, which are currently insufficient and unpredictable. Non-earmarked funding is supposed to cover core activities in the approved programme of work as well as human resources. UN-Habitat has adopted a multi-pronged approach in response to this priority issue, including strengthening its resource mobilization strategy, and targeting new and former traditional donors as well as the private sector.

2. UN-Habitat website

31. The UN-Habitat website needs to be improved to make it more accessible and user friendly. Locating documents and opening them has proved to be a challenge for users, including some members of the Committee of Permanent Representatives to UN-Habitat. The issue is being addressed as a matter of urgency, especially as most of the documents for the twenty-fifth session of the Governing Council documents will need to be downloaded from the website.

3. Project monitoring

32. UN-Habitat delivers its work programme through projects, in line with its project-based management system. All projects are now derived from the approved biennial work programme, which is fully aligned with the six-year strategic plan for 2014–2019. Advisory groups have been established to ensure that proposed projects are technically and financially viable, results-focused and reflect the core values of UN-Habitat, including cross-cutting issues. However, systematic monitoring of projects during implementation needs to be further strengthened.

IV. Overall implementation of the work programme for 2014–2015

33. UN-Habitat made considerable progress towards the achievement of expected accomplishments as demonstrated by contributions made at the global, regional and country levels. UN-Habitat made good progress towards the achievement of the indicator targets, with 84 per cent of targets on course to be achieved by the end of 2015, some 12 per cent slightly behind schedule, and only 4 per cent well below the midpoint.

34. Figure I shows progress made in the implementation of the approved work programme for 2014–2015 by the end of 2014 assessed against work planned for the whole biennium, while figure II shows progress assessed against the work planned for 2014 only as reflected in the integrated monitoring and documentation information system. By the end of 2014, some 34 per cent of the biennial work programme outputs had been completed, 23 per cent were in progress while 43 per cent had not been started. Figure II shows that 67 per cent of the 2014 work programme was completed and 33 per cent was still in progress. A large number of the outputs are in progress in most of the focus areas and it is likely that the rate of implementation will increase and approximate that of the 2012–2013 work programme which was 92 per cent overall for the biennium.

Figure I

Overall status of implementation of the work programme for 2014–2015

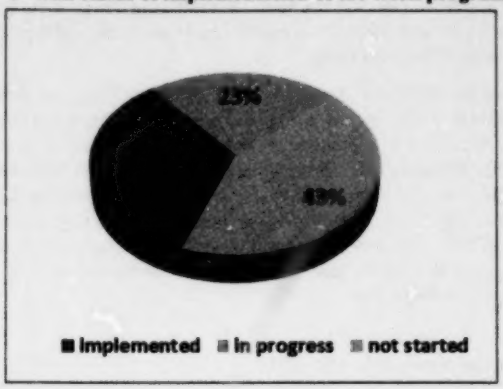
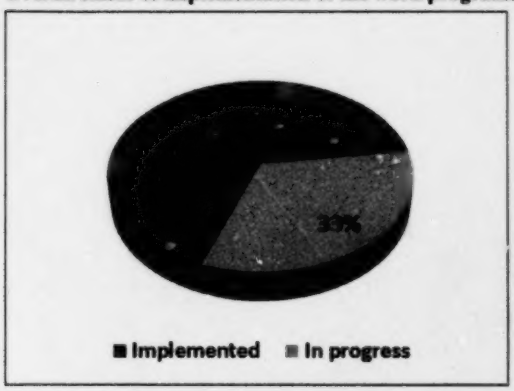


Figure II

Overall status of implementation of the work programme for 2014



Overall budget performance

35. The table on resource requirements for the work programme for 2014–2015 shows the approved work programme budget for the biennium 2014–2015 and, for 2014, the allotment and the expenditure for the year and the resource utilization rate. The budget is that approved by the Governing Council in its decision 24/15 of 19 April 2013. The allotment is authorized expenditure based on updated income and resource requirement projections at the beginning of 2014, and the expenditure shows the resources used to implement the programme of work during the year as at 31 December 2014, based on preliminary figures which are subject to change until the closure of the annual financial accounts.

Resource requirements for the work programme for 2014–2015
(Millions of United States dollars)

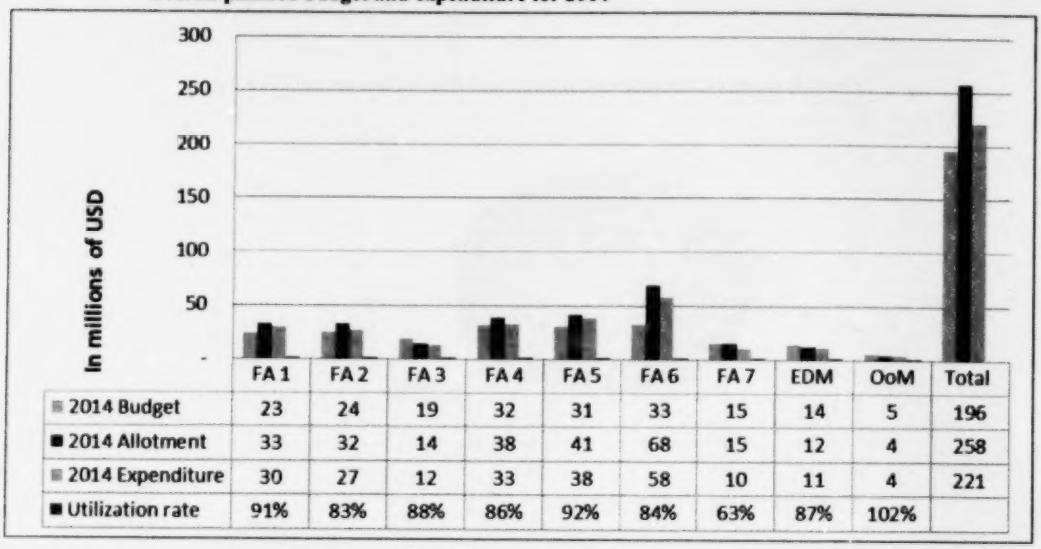
Category	*2014–2015 budget*	*2014 budget*	*2014 allotment*	*2014 expenditure*	*Utilization rate (percentage)*
Foundation general purpose	45 617	22 809	9 755	9 920	102
Regular budget	23 261	11 630	10 521	11 574	110
Foundation special purpose	123 188	61 594	68 210	54 559	80
Technical cooperation	202 482	101 241	171 435	147 564	86
Total	**394 548**	**197 274**	**259 921**	**223 617**	

36. The initial budget planned for 2014 of $197.2 million, equivalent to 50 per cent of the approved budget for the 2014–2015 biennium (see table) is composed of: Foundation general purpose fund $22.8 million or 12 per cent of the total budget; United Nations regular budget $11.6 million or 6 per cent; Foundation special purpose fund $61.6 million or 31 per cent; and technical cooperation fund $101.2 million or 51 per cent of the total budget.

37. The total allotment for 2014 was increased to $259.9 million, exceeding the planned budget of $197.2 million by $63 million or 32 per cent to accommodate a higher level of earmarked project portfolio implementation than originally planned. Accordingly, the allocation for technical cooperation of $171.4 million was $70.2 million or 69 per cent more than the planned budget of $101.2 million, while that for the Foundation special purpose account was set at $68.2 million, representing an increase of $6.6 million or 11 per cent over the original budget. The allotment for the Foundation general purpose account of $9.8 million was $13 million or 57 per cent lower than the original budget of $22.8 million in line with projected levels of voluntary non-earmarked income. The United Nations regular budget allotment was as budgeted.

Figure III

Overall planned budget and expenditure for 2014



	FA 1	FA 2	FA 3	FA 4	FA 5	FA 6	FA 7	EDM	OoM	Total
2014 Budget	23	24	19	32	31	33	15	14	5	196
2014 Allotment	33	32	14	38	41	68	15	12	4	258
2014 Expenditure	30	27	12	33	38	58	10	11	4	221
Utilization rate	91%	83%	88%	86%	92%	84%	63%	87%	102%	

38. The overall expenditure in 2014 amounted to $223.6 million, representing a rate of utilization of the allocated resources of 86 per cent. The utilization rates of 110 per cent for the regular budget and 102 per cent for the Foundation general purpose fund are slightly higher than the allotments due to the payment of personnel costs for core staff. The utilization rate for the Foundation special purpose fund was 80 per cent and for technical cooperation 86 per cent. The overall financial utilization rate of 86 per cent is higher than the rate of programme implementation of 67 per cent completed for 2014 (and 33 per cent in progress) as shown in figure II. This is partly because those activities that are still in progress may be near completion and so have low levels of pending expenditure. Financial utilization rates vary across individual focus areas, ranging from 63 per cent to 102 per cent.

V. Progress in the implementation of the six-year strategic plan in each focus area and office

A. Executive direction and management

39. The rate of programme implementation under executive direction and management for the biennium was 38 per cent completed, 12 per cent in progress, and 50 per cent not started. The implementation of the work programme for 2014 is 76 per cent completed and 24 per cent in progress.

40. Progress has been made towards the achievement of five of the six expected accomplishments. The targets for 9 of the 12 indicators of achievement are on course and are likely to be achieved by the end of 2015, while three are behind schedule. Moderate progress has been made in addressing the expected accomplishment on mobilizing core income. This has been done through, among other things, implementing a strengthened resource mobilization strategy, identification of non-traditional

donors, and working with former donors and the private sector. However, the results of this work will take some time to be realized.

Progress and key achievements

41. United Nations system-wide policy coherence on human settlements has improved partly due to the contribution of UN-Habitat through policy papers, advocacy and engagement in various events and processes. The Economic and Social Council held its first integration segment on the theme of urbanization,[3] while UN-Habitat leads the urban agenda in the High-level Committee on Programmes. The proposed sustainable development goal on cities and human settlements issues in the post-2015 development agenda demonstrates the growing recognition within the United Nations of the role of cities in sustainable development. The engagement of Habitat Agenda partners and the United Nations system on the issue of sustainable urban development has increased, as shown by their participation in the preparatory processes for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) and the post-2015 development agenda processes. The World Urban Forum – whose seventh session was attended by 22,000 people from 140 countries – remains the premier advocacy platform for sustainable urbanization.

42. The current level of evaluation use in UN-Habitat reflects an emerging evaluation culture following the establishment of an independent evaluation unit in 2012, the adoption of the UN-Habitat evaluation policy in 2013 and improved results-based management. UN-Habitat evaluations have identified areas of improvement, improved accountability and contributed to programme and project improvement. UN-Habitat has made progress in implementing evaluation recommendations across the board. There was notable reduction in the exposure of UN-Habitat to risks, legal liabilities and claims in 2014 and the Programme won all six of the legal cases brought against it. UN-Habitat continued to enhance transparency in its programme and project delivery and management by making its documents available on the website of the International Aid Transparency Initiative. With regard to the indicator on increasing the core income of UN-Habitat, there was a decline in core income from $15.3 million in 2013 to $5.8 million in 2014.

B. Focus area 1: urban legislation, land and governance

43. Satisfactory progress was made towards the achievement of all three expected accomplishments for focus area 1 with all the indicator targets on course to be met by the end of 2015. With regard to financial performance, from an initial budget for 2014 of $23.3 million, the allotment for 2014 was increased to $32.9 million to accommodate a higher level of technical cooperation activities which make up 61.7 per cent of total implementation.

Progress and key achievements

44. The capacity of local and national governments and other Habitat Agenda partners to implement enabling legislation for improving urban extension, densification, planning and finance was strengthened. There is increasing awareness of the need for improvements in urban legal frameworks. The number of relevant legal reform processes increased from 12 to 21 in 2014. Nine new legal processes on normative planning and legislation frameworks are ongoing in Egypt, Kenya, Myanmar, Nigeria, the Philippines and Saudi Arabia. Other countries taking steps to improve their urban legal frameworks include Brazil, Cuba, Mexico, Lebanon, Guinea Bissau and Iraq. In order to promote evidence-based planning grounded in effective legislative frameworks and legislative analysis, advisory work continued on the UN-Habitat ASUD programme in Egypt, Mozambique, the Philippines and Rwanda. In collaboration with experts and strategic partner institutions, UN-Habitat developed two legal frameworks to facilitate work on participatory land readjustment. The results were realized within a global pilot initiative, the participatory and inclusive land readjustment project, which is testing a participatory, inclusive and financially viable approach to land readjustment, with the practical component in Medellin (Colombia).

45. Considerable progress was made in enhancing the capacity, knowledge and skills of local and national governments and other Habitat Agenda partners to implement programmes that improve security of tenure for vulnerable groups. The implementation of the continuum of land rights approach as the most effective way to provide tenure security at scale is in progress. The social tenure domain model and customary land tools are currently being piloted at country level in a number of countries,

[3] The function of the segment was to consolidate all the inputs of Member States, the Economic and Social Council system, the United Nations system and other relevant stakeholders in order to fulfil the mandate of the Council, as recognized in the outcome document of the United Nations Conference on Sustainable Development (General Assembly resolution 66/288), concerning the promotion of a balanced integration of the three dimensions of sustainable development.

including Colombia, Haiti, Kenya and Uganda, while land tenure issues in post-conflict countries are being addressed in the Afghanistan, the Democratic Republic of the Congo, Liberia, Somalia and Iraq. Progress was made towards recognizing the need for affordable pro-poor and gender-responsive land administration approaches. There is growing global acknowledgement that conventional land administration systems are not adequate for developing countries. A global buy-in was achieved when the "Fit for Purpose" land administration approach was launched by GLTN partners, the World Bank and the International Federation of Surveyors in 2014.

46. Progress was made towards the improvement of policies, plans and strategies that strengthen decentralized governance and inclusive urban management and safety. The number of partner local and national governments that adapted the international guidelines on decentralization and access to basic services for all rose from 30 to 37 and from 12 to 15, respectively. Countries such as Afghanistan, Brazil, Egypt, Jamaica, Kenya, Mozambique and Nigeria have made progress in this respect. In order to accelerate the effective implementation of the Safer Cities Programme and associated Global Network on Safer Cities, UN-Habitat continues to support cities and build capacity in the prevention of urban crime and enhancement of urban safety in Argentina, Chile, Kenya, Mexico, the Philippines and South Africa.

C. Focus area 2: urban planning and design

47. Progress was made towards the achievement of the three expected accomplishments and all seven indicator targets are on course to being met in 2015. The 2014 financial performance is shown in figure III. With regard to the 2014 financial performance, out of an initial budget of $24.4 million, the allotment for 2014 was increased to $32.2 million to accommodate a higher level of both foundation earmarked and technical cooperation activities.

Progress and key achievements

48. Considerable progress was made as demonstrated by the adoption by a number of partner metropolitan, regional and national authorities of improved national urban policies and spatial frameworks for compact, integrated and connected cities, and the growing number of partner local and national authorities that are reviewing and developing policies and spatial frameworks with support from UN-Habitat and partners, including Burkina Faso, Madagascar, Rwanda, Somalia and South Sudan. The national urban policy diagnostic framework embraces an integrated three-pronged approach emphasizing the legal, urban design and financial pillars of sustainable urbanization. This approach has been tested successfully in Colombia, Egypt, Mozambique, the Philippines and Rwanda. It was used in Kosovo and Mongolia for rapid urban policy assessment. International guidelines on urban and territorial planning developed in 2014 provide a global framework for improving policies, plans and designs for sustainable urbanization. A major achievement has been the development of the international guidelines on urban and territorial planning, which constitute a global framework for improving policies, plans, designs and implementation processes for more compact, socially inclusive, better integrated and connected cities and territories that foster sustainable urbanization.

49. Concept plans for planned city extensions were completed for Santa Marta (Colombia), Banha city (Egypt), Silay, Kisumu (Kenya), Iloilo and Cagayan de Oro (Philippines) and Nyagatare and Rubavu (Rwanda). City-wide strategies and plans, infill plans and new town development plans were developed, resulting in the improvement of the city-wide strategy, in Wuzhou city, China. A city infill plan was developed for the La Candelaria neighbourhood of Medellin, Colombia, and a new town concept plan for the city of El Alamein (Egypt) was approved in 2014.

50. Progress was made in improving policies, plans and strategies as the number of partner city, regional and national authorities that adopted policies, plans and strategies that contribute to the mitigation of and adaptation to climate change increased from 15 to 19 in 2014. Under CCCI, 14 cities finalized climate change vulnerability assessment documents. In addition, climate change action plan has been mainstreamed into statutory plans in Apia (Samoa), and in Davao, Cagayan de Oro, Iloilo and Olongapo (Philippines). The cities and climate change agenda is now globally recognized. UN-Habitat contributed substantially to the outcomes of the Climate Summit held in New York in September 2014, as well as to ongoing processes under the United Nations Framework Convention on Climate Change. UN-Habitat and partners contributed substantially towards major initiatives at the Climate Summit, at which the UN-Habitat Executive Director led the "cities" workstream and launched four multi-partner city initiatives: the Compact of Mayors; Cities Climate Finance Leadership Alliance; Urban Electric Mobility Initiative and Resilient Cities Acceleration Initiative.

D. Focus area 3: urban economy

51. Progress was made towards the achievement of all three expected accomplishments for focus area 3 with all indicator targets on course to be achieved in 2015. With regard to budget performance,

from an initial budget for 2014 of $19 million, the allotment for 2014 was reduced to $14 million in line with updated income and resource requirement projections, with a higher allotment being assigned for Foundation earmarked activities and a lower allotment for technical cooperation activities.

Progress and key achievements

52. Progress was made towards improving the capacity of partner cities to adopt strategies supportive of inclusive economic growth. Three partner cities, Bogota in Colombia, Akure in Nigeria and Silay City in the Philippines prepared local economic development plans, while four other partner cities set priorities based on local assessments. In Colombia, 26 enterprises have developed business plans following UN-Habitat support to the design and implementation of a local economic development strategy.

53. Progress was made towards improving the capacity of targeted cities to adopt urban policies and programmes supportive of increased employment, livelihoods and opportunities, and with a focus on urban youth and women. Since its inception in 2008, the Urban Youth Fund has supported 277 youth groups located in 65 developing countries together with 175 cities with small grants for youth-led community development projects. In India, the national window of the Urban Youth Fund is supporting 12 youth-led initiatives that promote livelihoods and economic opportunities. The "One Stop Youth Centre" model, which started with countries in East Africa (Kenya, Rwanda, Uganda and the United Republic of Tanzania) is being scaled up in a number of other African countries.

54. The capacities of partner cities to identify options to finance city extension plans have improved. The number of partner cities that have adopted programmes and strategies for improved municipal and urban finance rose from 8 to 15 in 2014. The six new cities are Berbera, Borama and Sheikh in Somaliland, and Bander Beyla, Eyl and Jariiban in Puntland. In Afghanistan, citizens in settlements benefiting from land regularization are paying municipal tax revenue, which has increased by about 15 per cent, while 13 districts in Somaliland and Puntland State, Somalia, have increased building and property taxation revenue, accounting for 15–25 per cent of revenue generated. GLTN has contributed to efforts to improve local land-based revenues and has also developed a training package for government staff.

E. Focus area 4: urban basic services

55. Progress was made towards the achievement of the three expected accomplishments and indicator targets are likely to be achieved by the end of 2015. Assessment of financial performance for the focus area (see fig. III) shows that from an initial budget for 2014 of $31.7 million, the total allotment for 2014 increased to a total of $37.9 million to take into account a reduced level of foundation special purpose activities and a significantly increased level of technical cooperation activities.

Progress and key achievements

56. Progress was made towards the implementation of policies and guidelines on equitable access to sustainable urban basic services, as evidenced by the increase in the number of authorities taking relevant action in 2014, as compared with 2013, with the support of UN-Habitat and partners - from 165 to 188 local authorities, from 27 to 29 national authorities, and from 5 to 6 regional authorities. The capacities of local and national institutions and entities for the provision of urban basic services for all were improved as evidenced by improved access to water and sanitation, including in the fragile States of Somalia and South Sudan. In Ghana, 265 communities in 21 districts are benefitting from a water and sanitation programme, while in Malawi access to water and sanitation has been improved for two local authorities. The percentage of consumers in partner cities with access to sustainable water and sanitation services increased from 60 per cent (approximately 1.6 million people) to 63 per cent (1.685 million people) in 2014.

57. Progress was made towards increasing the flow of investment in urban basic services in partner countries. The amount of investment in urban basic services catalysed by UN-Habitat work reached $53.5 million, up from a baseline of $40 million in 2013. The increase is attributed to partnership with financial institutions and development partners, including the 104 million euro Mwanza Water Project, $8.5 million secured from the Department of Foreign Affairs, Trade and Development (Canada) for a project on water, sanitation and hygiene in disaster-prone communities in northern Ghana. The increase is attributed to water and sanitation projects initiated in Kenya, the Lao People's Democratic Republic, South Sudan and the United Republic of Tanzania. In urban energy, in the informal settlement of Kibera in Nairobi, Kenya, some 4,000 households were provided with clean day lighting systems (solar bottle bulb) that enables them to have light during the day without using candle or kerosene lamps, while in Yaoundé, Cameroon, out of the 80,000 households of slum

dwellers, a total of 3,000 were provided with solar bottle lights. Both projects have resulted in an average increased clean energy access for lighting of 3 per cent.

F. Focus area 5: housing and slum upgrading

58. Satisfactory progress was made towards the achievement of all three expected accomplishments and their indicator targets are on course to being achieved by the end of 2015. In terms of budget performance (see fig. III), from an initial budget for 2014 of $30.9 million, the total allotment for 2014 was increased to a total of $41.4 million to take into account significantly reduced foundation general purpose resources, a slightly reduced level of foundation special purpose activities and a significantly higher level of technical cooperation activities.

Progress and key achievements

59. Awareness and knowledge has been enhanced as manifested in increased requests in 2014 for support in formulating policies for sustainable and inclusive housing, slum upgrading and slum prevention in line with the Global Housing Strategy. The Government of Lesotho has requested assistance from UN-Habitat in drafting national housing strategies while Liberia and Guyana are developing country profiles. Following the completion of their housing profiles, Senegal and Uganda are formulating their housing policies and pursuing reforms in the relevant sectors with assistance from UN-Habitat.

60. Partner countries working towards the progressive realization of the right to adequate housing as a component of the right to an adequate standard of living, including the reduction of unlawful forced evictions, rose from 6 in 2013 to 10 in 2014. These include Fiji, where a review conducted in 2014 demonstrated a clear realization of adequate housing as a component of the right to an adequate standard of living; Vanuatu, where the Ministry of Lands has recognized the need for the protection of human rights and dignity in the resettlement of communities evicted from the water protection zone; and Papua New Guinea, where the national Government changed its stance on slum dwellers who are no longer viewed as illegal and temporary settlers. Nine partner countries, including Samoa, are implementing sustainable building codes with support from UN-Habitat and partners.

61. PSUP catalysed growing action and investment in slum improvement and prevention in 35 countries and over 150 cities across the African, Caribbean and Pacific States. As a result of the increased momentum and expansion of PSUP, several countries are implementing slum upgrading or prevention strategies, albeit at different stages. Nine countries (Benin, Botswana, Djibouti, Lesotho, Rwanda, Saint Vincent and the Grenadines, Togo, Tuvalu and Vanuatu) have produced or are preparing national and city urban profiles in phase I of PSUP. Eighteen countries (Antigua and Barbuda, Burundi, Cabo Verde, the Congo, Côte d'Ivoire, Fiji, the Gambia, Haiti, Jamaica, Madagascar, Mali, Mauritius, Namibia, Nigeria, Papua New Guinea, Solomon Islands, Trinidad and Tobago and Uganda) are preparing action plans for localized slum upgrading and prevention interventions, while nine countries (Burkina Faso, Cameroon, the Democratic Republic of the Congo, Ghana, Kenya, Malawi, Mozambique, the Niger and Senegal) in phase III are implementing participatory slum upgrading projects.

G. Focus area 6: risk reduction and rehabilitation

62. Progress was made towards achieving the expected accomplishments and all the indicator targets are on track to being achieved by the end of 2015. Budget performance for 2014 (see fig. III) shows that from an initial budget for 2014 of $32.9 million, the total allotment for 2014 was increased to a total of $68.3 million to taken into account significantly reduced foundation general purpose resources, and significant increases in the level of foundation special purpose activities and technical cooperation activities.

Progress and key achievements

63. A recent external evaluation (BASF evaluation, 2014) indicates that UN-Habitat interventions contributed to improving the lives of individuals and communities affected by human and natural disasters through improved tenure security and housing for internally displaced people and returnees in Iraq, Sri Lanka and the Syrian Arab Republic; and improving access to basic services such as water and sanitation in Afghanistan, South Sudan and the occupied Palestinian territory. Some displaced people benefited from long-term initiatives, such as the Affordable Housing Programme in Jordan, improved construction skills of housing beneficiaries in Sri Lanka and the creation of disaster management structures in the Philippines.

64. There were improvements in urban risk reduction policies, strategies and programmes for greater resilience of cities and other human settlements. The Governments of Afghanistan, Indonesia,

the Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Viet Nam implemented effective policy and planning initiatives using UN-Habitat technical assistance through the Making Cities Resilient campaign in order to address the new wave of risks associated with urbanization in Asia. Line ministries and other partners in Afghanistan, the Lao People's Democratic Republic, Myanmar, Nepal, Sri Lanka and Viet Nam are implementing the Hyogo Framework of Action 2005–2015 and building resilience in cities.

65. There were some improvements in settlements recovery and reconstruction interventions for long-term sustainability in cities and other human settlements. In response to Typhoon Haiyan in the Philippines, community-driven shelter development through the "people's process" was used in the construction of more than 700 permanent houses, 20 community infrastructure projects and the training of over 1,000 people. In Iraq, over 8,000 vulnerable internally displaced people have received 1,360 prefabricated temporary shelters in the Kurdistan region, while in Sri Lanka, 32,000 families obtained tenure security and adequate housing and 300,000 people gained access to improved basic services by the end of 2014.

H. Focus area 7: research and capacity development

66. Progress was made towards the achievement of the three expected accomplishments and the achievement of six indicator targets is on course to be met by the end of 2015. The results achieved reflect the contribution of UN-Habitat and partners in the focus area.

Progress and key achievements

67. There was an improvement in the monitoring of urban conditions and trends, as evidenced by the number of urban observatories using UN-Habitat monitoring tools, methods and data. The number of partner national statistical offices producing urban data and indicators has increased and the UN-Habitat Global Urban Observatory has become a reference point for local observatories around the world.

68. There were notable improvements in knowledge of sustainable urbanization issues at the local, national and global levels, as demonstrated by the increase in the number of local and national governments that used flagship publications and best practice databases for policy formulation – 200 local governments in 2014, up from 10 in 2013 – which can largely be attributed to the growing demand for the city prosperity index. A recent external evaluation[4] confirmed that the UN-Habitat flagship reports are providing evidence-based knowledge on human settlements, urban trends and challenges. The reports have become important tools for awareness-raising and policy advocacy at the global, regional, national and city levels, and partner cities and countries are producing reports with support from UN-Habitat and partners.

69. Progress was made in building the capacity of national and local authorities and partners to formulate and implement informed policies and programmes that promote sustainable urbanization. The number of policies and programmes utilizing evidence-based information also increased. The two indicator targets for this expected accomplishment were exceeded in 2014, having risen from 10 in 2013 to 100 and from 10 in 2013 to 20, respectively. This was achieved through the training and capacity development initiatives that benefited over 100 partner local and national authorities in 2014.

VI. Cross-cutting issues

70. The mainstreaming of the four cross-cutting issues of climate change, gender, youth and human rights has been institutionalized in UN-Habitat and takes place at both the programme and project levels. The cross-cutting issues are systematically mainstreamed in all projects reviewed by the programme advisory groups. Focal points for cross-cutting issues support mainstreaming during programme delivery and implementation, provide tools for and build the capacities of partners, and raise awareness in their respective areas.

A. Gender

71. Gender considerations have been integrated into the screening and approval process of the Urban Youth Fund sponsored projects. Gender tools have been used in thematic areas of work, including through the issues guides on urban research and capacity development, PSUP and the World Urban Campaign gender toolkit. In addition, gender mainstreaming in UN-Habitat work on urban risk

[4] Evaluation of UN-Habitat flagship reports: *Global Report on Human Settlements and State of the World's Cities Report*, by Michael Cohen and Willem van Vliet assisted by Desiree Lavecchia and Tizai Mauto, 2014.

reduction, urban planning and design, as evidenced by the public space programme on the safety of women and the engagement of women and young people in public space design and management.

B. Youth

72. A two-pronged approach is used in mainstreaming youth issues into the normative and operational work of UN-Habitat and across the United Nations system. The Programme continues to play a leading role in raising the profile and urban youth agenda at the global level. In 2014, UN-Habitat contributed to the first report on the United Nations System-wide Action Plan on Youth Survey and to the Colombo Declaration on Youth, entitled "Mainstreaming youth in the post-2015 development agenda",[5] used as a reference for the post-2015 development agenda and in preparations for Habitat III processes. Within UN-Habitat, young people have been integrated into the work in the various thematic areas such as land, urban economy, governance, urban planning especially in public space and urban safety, participatory slum upgrading programmes, urban basic services including sustainable energy and research and capacity development.

C. Climate change

73. Climate change is mainstreamed into the UN-Habitat thematic areas with the aim of contributing to resilient cities. CCCI, launched in 2008, has remained the driving force for UN-Habitat work on climate change in the urban environment. The United Nations system continues to acknowledge the contribution of the urban sector to climate change, as evidenced by the 2014 Climate Summit, at which "cities" was a major theme. In addition, the UN-Habitat Executive Director led the "cities" workstream leading up to the summit. As a result, four strategic multi-partner city initiatives that encompass several thematic areas were launched at the Climate Summit (Compact of Mayors Initiative, Cities Climate Finance Leadership Alliance, Urban Electric Mobility Initiative and Resilient Cities Acceleration Initiative) to fast-track progress on the cities and climate change agenda.

74. In 2014, UN-Habitat achieved a global-level impact in terms of enhancing knowledge via inputs to the fifth assessment report of the Intergovernmental Panel on Climate Change, with the urban adaptation chapter containing more than 40 citations of UN-Habitat publications or articles recently authored by UN-Habitat staff.

D. Human rights

75. Progress has been made towards mainstreaming the human rights-based approach to ensure that the process of urbanization follows human rights principles. Various guidance and information materials have been developed, including the Universal Periodic Review, a revised factsheet on forced evictions (by UN-Habitat and the Office of the United Nations High Commissioner for Human Rights), a handbook on assessing the impact of forced evictions, a document entitled "Women and housing: the infrastructure of everyday life", and the UN-Habitat-supported handbook on realizing the human rights to water and sanitation.

VII. Opportunities, challenges and lessons learned

A. Opportunities

76. The use of the international guidelines on urban and territorial planning in the post-2015 development agenda and the convening of Habitat III will both provide an opportunity for advancing sustainable urban planning and design.

77. The city prosperity index, particularly its spatial indicators and other variables that are strongly linked to the New Urban Agenda, provides a clear technical and knowledge niche for UN-Habitat.

B. Challenges

78. Meeting the growing demand for the GLTN tools by various countries and partners is a challenge. More resources are required in order to provide support to all the actors who would like to make use of the tools.

79. The application of the United Nations administrative rules and regulations, particularly with respect to the time it takes to recruit personnel and procure goods and services, reduces the competitiveness of UN-Habitat in achieving efficient delivery, particularly for operational programmes.

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[5] http://commonwealthyouthcouncil.org/wp-content/uploads/2014/05/colombo-declaration-on-youth-final.pdf.

80. UN-Habitat, like other United Nations entities, is experiencing problems in terms of insufficient and unpredictable non-earmarked extrabudgetary resources to cover the core activities of its programme of work and human resources.

C. Lessons learned

81. Improved collaboration and cooperation between the branches and the regional offices of UN-Habitat enhances the matrix approach of the Programme.

82. Although UN-Habitat is making progress towards planned results, it needs to demonstrate the results through its evaluations and provide clear evidence of results achieved.